

UNCLAIMED BENEFITS POLICY

for the

**ASSOCIATES UMBRELLA PROVIDENT FUND
INFINITY PROVIDENT FUND**

INFINITY PENSION FUND

**OUTSOURCED SOLUTIONS PROVIDENT
FUND**

OUTSOURCED SOLUTIONS PENSION FUND

(hereinafter referred to as “the Fund”)



Table of contents:

1. Introduction
2. Administration Options Available for Unclaimed Benefits
3. Administration of Unclaimed Benefits
4. Tracing of Unclaimed Benefit Members
5. Payment of Unclaimed Benefit Members
6. Transfer to an Unclaimed Benefit Fund
7. Communication to Unclaimed Benefit Members
8. Investment of Unclaimed Benefits
9. Unclaimed Benefits Reporting
10. Review of Policy

1. Introduction

With effect from 01 November 2008 a definition of unclaimed benefits was introduced into the Pension Funds Act (hereinafter referred to as "PFA") in terms of the Financial Services Law General Amendment Act, 2008. This definition provides for unclaimed benefits to be defined in the PFA. Following this change, the Board of Trustees of the mentioned Umbrella Fund's (hereinafter referred to as "the Board") has reviewed their approach to unclaimed benefits and has adopted this policy.

01 March 2019 saw the introduction of the new Regulations 37, 38 and 39 by the Financial Sector Conduct Authority (FSCA). These are commonly known as the so-called "*Default Regulations*".

The regulations have three main focus points, namely; Default investment; Default Preservation; and Default Annuities.

One of the main changes that these regulations are bringing into effect, is that of the so-called "Paid-up member".

Specifically regulation 38 has the effect that any member whom leaves service of a participating employer after 01 March 2019 and whom is younger than 55 years of age, will automatically become a paid-up member within the Fund that he/she had been contributing to (from the date of leaving service) and will remain a paid-up member of that Fund until such time he/she elects to withdraw or transfer his/her share of fund benefit or take early retirement.

Therefore the Unclaimed Benefits Policy as described in the rest of this document and which has been adopted by the Board, relates only to unclaimed benefits where the member left service prior to 1 March 2019.

Any members leaving service post this date, will become and remain paid-up members as per current legislation.

2. Administration Options Available for Unclaimed Benefits

The options available to the Board are:

- Transfer the unclaimed benefits to an unclaimed benefits fund

OR

- Retain the unclaimed benefits in the Fund

With effect from 01 January 2013, the Board resolved to transfer unclaimed benefits to the Associates Preservation Provident Fund or the Associates Preservation Pension Fund after a period of six (6) months from when the benefit became legally due and payable (i.e. the date of termination of service).

Unclaimed benefits policy for the UMBRELLA FUNDS

This resolution is made in terms of rule 6.12.3 of the General Rules of the Funds.

3. Administration of Unclaimed Benefits

Unclaimed benefits will be, as with the other benefits of the Fund, administered by the Administrator and managed by the Board.

As part of the ongoing administration of the unclaimed benefits, the Administrator will:

- mark their system to reflect the status of each unclaimed benefit as the event occurs
- maintain each unclaimed benefit record
- update daily pricing of the investment portfolio where each unclaimed benefit is invested
- provide each participating employer with web access to view updated member values and print benefit statements on demand
- report on all unclaimed benefits at each participating employer's Board of Management meeting
- present an unclaimed benefits summary report at each Board of Trustee meeting.

For the administration of unclaimed benefit members, the Administrator will charge a monthly administration fee as agreed to by the Board and Administrator, which will be debited to the respective members' investment account.

4. Tracing of Unclaimed Benefit Members

The Boards has approved the use of tracing agents to assist in the tracing of unclaimed benefit members. The Administrator will provide the tracing agents with a list of the unclaimed benefit members together with each member's personal details and the name of the participating employer where the member was employed. At the end of each month, the tracing agents will confirm the contact details of the members confirmed as having been successfully traced and the progress of those not yet traced.

Any cost associated with the successful trace of an unclaimed benefit member will be debited to the respective member's investment account.

5. Payment of Unclaimed Benefit Members

Unclaimed benefits policy for the UMBRELLA FUNDS

On the successful trace of an unclaimed benefit member, the Administrator will make contact with the member and request the completion of the relevant claim form together with the required supporting documentation.

On receipt of a fully completed claim form and supporting documentation, The Administrator will process the claim in terms of its standard claim process.

6. Transfers to an Unclaimed Benefit Fund

The Board resolved to transfer unclaimed benefits to the Associates Preservation Provident Fund after a period of six (6) months from when the benefit became legally due and payable (i.e. the date of termination of service). This is applicable to exits where the termination date was prior to 01 March 2019.

7. Communication to Unclaimed Benefit Members

The Board will include a section on unclaimed benefits in its annual communication to members with specific reference to the success of tracing the unclaimed benefit members.

8. Investment of Unclaimed Benefits:

The unclaimed benefits will be invested in terms of the provisions of the Fund's investment policy. All unclaimed benefits will remain invested until claimed by the member.

9. Unclaimed Benefits Reporting

Reporting in respect of unclaimed benefits will form part of the annual financial statements and will be presented at each participating employer's Board of Management meeting.

A summary report of the number of outstanding unclaimed benefit members will be available at each Board of Trustees meeting.

10. Review of Policy

The policy will be reviewed and updated, if necessary, annually at the Fund strategy session and such review will be ratified at the first Board of Trustees meeting held thereafter.

The policy review will make reference to:

Unclaimed benefits policy for the UMBRELLA FUNDS

- the fulfilment of the Board's fiduciary duty to the unclaimed benefit members
- the costs involved in the administration and tracing of the unclaimed benefit members
- the success of tracing unclaimed benefit members via the participating employer at Board of Management meetings and the use of tracing agents
- the viability of utilising an unclaimed benefits fund.